



United States
Department of
Agriculture

Economic
Research
Service

Washington, D.C.
20250

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SUBJECT: 1986 Normalized Prices Free of Government Programs

TO: George Dunlop
Assistant Secretary for Natural
Resources and Environment

We transmit herewith the "current normalized prices" for use by Federal agencies in the evaluation of water-related development projects throughout FY 1987. Consistent with established practice, these prices are transmitted to you for distribution to other Federal water resource agencies. The method used to calculate these prices is explained in the accompanying text. The method, as agreed to by the Natural Resources and Environment Committee, is based on a comprehensive supply-demand analysis with the influence of government programs removed.

The current method utilizes information obtained from a structural econometric model of the agricultural sector as well as inputs from commodity specialists in the Economic Research Service. A comprehensive supply-demand analysis was used to remove the influence of government programs on market prices as well as to minimize short-run distortions in prices caused by abnormal weather and temporary changes in the foreign demand for agricultural products. Expert analysis by commodity specialists was used to derive consistent prices and indices for commodities not included in the structural model. The use of a comprehensive agricultural supply-demand analysis to derive normalized prices is an improvement over those methods used in the past.


JOHN E. LEE, Jr.
Administrator

Attachment

cc: Bevan Brown, Tennessee Valley Authority (w/attachment)
Norman Starler, Bureau of Reclamation (" ")
Dave Hottenstein, Corps of Engineers (" ")
Ed Nelson, Soil Conservation Service (" ")

1986 CURRENT NORMALIZED PRICES FREE OF GOVERNMENT PROGRAMS

The efficient development and use of water and land resources requires that a consistent set of economic standards and criteria be used to evaluate agricultural benefits and costs. Agricultural price standards provide the basis for valuing the agricultural effects of alternative development and management plans.

AUTHORITY

The authority of these standards is set forth in the Water Resources Planning Act (P.L. 89-90) and in the Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies. These Principles and Guidelines state in part:

"Section 1.4.10 Prices

- a. The prices of goods and services used for evaluation should reflect the real exchange values expected to prevail over the period of analysis. For this purpose, relative price relationships and the general level of prices for outputs and inputs prevailing during, or immediately preceding, the period of planning generally represent the real price relationships expected over the life of the plan, unless specific considerations indicate real exchange values are expected to change.
- b. The general level of prices for outputs and inputs prevailing during or immediately preceding the period of planning is to be used for the entire period of analysis. In the case of agricultural planning, normalized prices prepared by the Department of Agriculture should be used."

CONCEPTUAL BASIS FOR NORMALIZED AGRICULTURAL PRICES AND COSTS

Current normalized prices are to be used in all economic evaluations covered by the Principles and Guidelines, such as:

1. Evaluation of beneficial or adverse effects of alternative projects and programs under consideration.
2. Appraisals of economic impacts where such impacts are expressed in terms of value of production or income.

A credible process of economic evaluation should yield accurate estimates of the benefits and costs associated with constructing a project. Accurate estimates depend on the proper identification of relative agricultural prices and costs undistorted by short-term market abnormalities and government influences. The correct set of prices for project evaluation should therefore reflect long-run resource scarcity that will exist during a project's life. Because prices for U.S. agricultural products are often

affected by government agricultural programs as well as random influences like the weather and foreign commodity demand, an analytical procedure is needed to adjust observable market prices for the effects of short-term and non-resource related influences.

METHODOLOGY

The general approach adopted for deriving normalized prices relies on a comprehensive demand-supply analysis of the agricultural sector. The intent is to provide distortion free prices as a guide for improving resource allocation decisions. When possible, the comprehensive analysis of supply and demand combines information from an econometric model of the agricultural sector and a panel of commodity experts. However, for some commodities, typically those not identified as major agricultural program crops or directly linked to program crops, the derivation of normalized prices relies more heavily on commodity experts. In either case, the derivation process recognizes the interdependence of commodity prices and policy and generates prices which are indicative of long-run resource scarcity and normal returns to factors of production.

Prices Based on Structural Model and Commodity Experts

For many commodities normalized prices were derived through an iterative process combining the results of a structural model of the agricultural sector with the expert judgment of commodity analysts.¹ The iterative process was conducted by first generating normalized prices through the use of an agricultural sector model. Commodity experts then reviewed the model results for consistency and reasonableness with respect to long-run resource costs. The process continued until a convergence on normalized prices was obtained. Commodities subsumed under this iterative process were wheat, corn, sorghum, barley, oats, soybeans, cotton, rice, steers and heifers, feeder steers, cows for slaughter, calves, hogs, milk, broilers, turkeys, and eggs.

There are a number of government agricultural programs which distort market prices. Normalized prices are generated by removing the influence of programs designed to support farm income. For the marketing years beginning in 1980 we assume:

- o No General Sales Manager (GSM) credit program to promote export sales of crops;
- o No acreage reduction or paid diversion program for crops;

¹ A detailed description of the structural equations and variables of the agricultural sector model appear in Gadson, Price, and Salathe, Food and Agricultural Policy Simulator (FAPSIM): Structural Equations and Variable Definitions, Staff Report, National Economic Division, Economic Research Service, U.S. Department of Agriculture, Washington, D.C., May 1982.

- o No payments to dairy manufacturers for processed dairy products.
- o Crop yields adjusted to remove influence of acreage reduction and paid diversion programs;
- o Minimal conservation reserve reflecting natural resource preservation goals only;
- o Short-term abnormalities arising from random influences addressed by adjusting the structural model to reflect long-run trends.

Prices Based on Commodity Experts

In general, normalized prices generated by the structural model for major crops served as starting values for deriving these normalized prices. Prices for commodities not included in the structural model were based on expert analysis by commodity specialists relying on reduced-form partial equilibrium models, trend yields, and other relevant information. In addition, other important variables such as acreages of competing crops planted were considered. For most commodities, partial equilibrium models consisting of supply and demand, prices, and ending stocks were used. Normalized prices for the minor feed grains were calibrated relative to their long-run relationship with corn prices. Normalized prices for rye and hay also took into account their usual relationship to prices for wheat and feed grains. Prices for oil-bearing crops depended on cottonseed and soybean oil and meal prices. Prices for livestock products not included in the structural model were adjusted to reflect the long-run relationship between livestock and feed crop prices. Adjustments were designed to reflect equilibrium: livestock breeding herds neither contracting nor expanding.

Indices of Prices Received and Paid by Farmers

Normalized indices of prices received and paid by farmers were derived from adjusted historical data series and the results of the structural simulation model.

State Prices

The State normalized prices were obtained by multiplying the national normalized prices by the average ratio of the State price to the national commodity price for the period 1983-85.

OTHER ADJUSTMENTS

Unusual circumstances will require further price adjustments:

1. Pricing of commodities not included in the price table.

For example, forest product prices are not included in the tables. Information on current prices for forest products

can be obtained from the last issue of The Demand and Price Situation for Forest Products, Forest Service, U.S. Department of Agriculture. To be consistent with the agricultural prices in this report, the stumpage prices should be adjusted to reflect value added from harvesting.

2. Determination of price differentials within States.

Current normalized prices for specific areas within a State may be derived by computing the average local area-to-State price ratio for the 1983-85 period and multiplying by the State normalized price.

3. Determination of price differentials to reflect product quality differences.

Published data do not provide, in most instances, a basis for deriving such price estimates. Procedures for estimating such price differentials will vary from one set of circumstances to another. Since a standard procedure cannot be specified, analysts confronted by such a problem must develop their own procedures. The basis used for estimating such price differentials should be fully documented in review reports.

4. Adjustments to reflect the impacts of project or program actions on market prices.

As specified in the Principles and Guidelines, whenever implementation of a plan is expected to influence price significantly, the use of a price about midway between those expected with and without implementation may be justified. Special consideration should be given to price adjustments where a program induced shift from a deficit to a surplus production area is expected, or vice versa.

These and other special price problems should be approached in a manner to achieve consistency with the published estimation of current normalized prices.

1986 Normalized Prices Free of Government Programs
Derived From Structural Economic Information

Commodity	Unit	U.S. Season Average Prices					Current Government Free Normalized Prices
		1981	1982	1983	1984	1985 ^{1/}	
		Dol.	Dol.	Dol.	Dol.	Dol.	
Food Grains							
Wheat, all 2/	bu.	3.65	3.55	3.53	3.38	3.16	2.25
Rye 2/	bu.	2.99	2.37	2.17	2.08	2.06	1.50
Rice 2/	cwt.	9.05	8.11	8.76	8.06	8.00	5.00
Feed Grains and Hay							
Corn for grain 2/	bu.	2.50	2.68	3.25	2.62	2.42	1.75
Oats 2/	bu.	1.89	1.48	1.67	1.69	1.25	.90
Barley 2/	bu.	2.45	2.23	2.50	2.30	2.00	1.40
Sorghum grain 2/	cwt.	4.27	4.50	5.07	4.27	4.04	2.95
Hay, all (baled)	ton	67.10	68.80	75.80	72.70	68.50	45.00
Dry Beans	cwt.	21.00	14.30	22.40	18.80	17.80	18.78
Sugarbeets 3/	ton	29.20	35.40	37.00	33.90	35.40	30.10
Sugarcane for sugar 3/	ton	24.90	26.50	27.80	28.20	26.60	22.10
Cotton, lint (upland) 4/	lb.	0.54	0.59	0.66	0.57	0.55	0.50
Tobacco	lb.	1.71	1.77	1.75	1.81	1.65	1.28
Oil-bearing Crops							
Cottonseed	ton	86.00	77.00	166.00	99.50	65.00	60.00
Soybeans for beans	bu.	6.04	5.69	7.81	5.78	5.10	4.25
Peanuts harvested for nuts	lb.	0.27	0.25	0.25	0.28	0.23	0.19
Flaxseed	bu.	6.73	5.19	6.80	6.09	5.06	4.50
Fruits							
Apples, commercial crop 5/	lb.	0.15	0.13	0.15	0.16	0.17	0.16
Oranges, all 6/	box	6.61	5.85	7.69	9.19	6.09	6.86
Grapefruit, all 6/	box	3.25	3.06	4.10	5.53	5.80	3.45
Vegetables							
Potatoes	cwt.	5.41	4.45	5.82	5.69	3.91	3.61
Sweet potatoes	cwt.	13.60	7.90	13.60	14.00	9.94	10.72
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U. S. Average Annual Prices							
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Livestock							
Steers & Heifers	cwt.	62.40	61.50	60.10	62.30	57.70	42.00
Feeder steers - 8 mkts.	cwt.	63.10	62.03	60.71	61.93	60.56	40.50
Cows for slaughter	cwt.	41.30	38.50	38.10	37.20	36.50	27.00
Calves	cwt.	64.00	59.80	61.70	59.90	62.10	37.50
Sheep	cwt.	21.20	19.50	15.70	16.40	23.90	16.00
Lambs	cwt.	54.90	53.10	53.90	60.10	67.70	50.12
Hogs	cwt.	43.90	52.30	46.80	47.10	44.00	33.00
Dairy Products							
Milk 7/	cwt.	13.80	13.60	13.60	13.46	12.75	11.00
Poultry and Eggs							
Broilers, commercial	lb.	0.29	0.27	0.29	0.34	0.30	0.27
Turkeys	lb.	0.38	0.40	0.38	0.49	0.49	0.33
Eggs	doz.	0.63	0.60	0.61	0.72	0.57	0.49
Wool	lb.	0.95	0.68	0.61	0.80	0.63	0.63

1/ Preliminary

2/ Includes allowance for loans outstanding and purchases by the government valued at the average loan and purchase rate, by states.

3/ Does not include payments under the sugar act.

4/ Prices based on 480 pound net weight base.

5/ Both fresh and processed sale prices (equivalent packinghouse-door returns for Washington and Oregon, equivalent first delivery point for California and "As Sold" for other states).

6/ Equivalent packinghouse-door returns per box for all uses.

7/ Sold to plants and dealers.

Current Normalized Indices free of Government Programs
Derived from Structural Economic Information

Commodity		U.S. Season Average Indices					Current Government Free Normalized Indices
		1981	1982	1983	1984	1985 ^{1/}	
Prices Received By Farmers							
All farm products	1967=100	254	243	245	260	234	187
All crops	1967=100	257	232	244	265	230	184
Livestock and livestock products	1967=100	250	254	247	256	238	189
Prices Paid By Farmers							
All commodities bought for use in production	1967=100	296	300	306	310	302	254
Feed	1967=100	249	227	249	251	216	161
Livestock	1967=100	259	259	253	243	243	158
Seed	1967=100	360	368	368	394	399	347
Fertilizer	1967=100	261	261	248	259	244	223
Agricultural chemicals	1967=100	174	187	196	201	201	190
Fuels and energy	1967=100	430	424	408	406	406	336
Farm and motor supplies	1967=100	243	251	251	243	241	236
Autos and trucks	1967=100	335	372	398	426	452	463
Tractors & self-prop.machinery	1967=100	362	393	414	431	424	372
Other machinery	1967=100	359	394	421	443	450	397
Building & fencing materials	1967=100	307	309	316	316	311	309
Wage rates for hired farm labor	1967=100	310	323	334	341	348	353
Construction costs composite index (U.S. Dept. of Commerce)	1967=100	325	327	334	348	358	365
ENR construction cost	1967=100	329	356	379	386	389	394
Wholesale lumber price (U.S. Dept. of Labor)	1967=100	325	311	353	350	340	342

^{1/} Preliminary.

STATES: 1986 CURRENT NORMALIZED PRICES FREE OF GOVERNMENT PROGRAMS
FOR PRINCIPAL COMMODITIES

03/24/87

STATE	COMMODITIES										
	WHEAT ALL 1/	RYE 1/	RICE 1/	CORN FOR GRAIN 1/	OATS 1/	BARLEY 1/	SORGHUM 1/ GRAIN	HAY, ALL BALED	DRY BEANS	SUGAR BEETS 2/	SUGAR CANE SUGAR 2/
	BUSHEL	BUSHEL	CWT.	BUSHEL	BUSHEL	BUSHEL	CWT.	TON	CWT.	TON	TON
MAINE	0.00	0.00	0.00	0.00	0.73	0.00	0.00	45.94	0.00	0.00	0.00
NEW HAMPSHIRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.20	0.00	0.00	0.00
VERMONT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52.26	0.00	0.00	0.00
MASSACHUSETTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.17	0.00	0.00	0.00
RHODE ISLAND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63.46	0.00	0.00	0.00
CONNECTICUT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.86	0.00	0.00	0.00
NEW YORK	2.11	2.03	0.00	1.91	0.96	0.00	0.00	49.25	20.37	0.00	0.00
NEW JERSEY	2.23	2.60	0.00	1.87	1.17	1.14	0.00	59.73	0.00	0.00	0.00
PENNSYLVANIA	2.30	2.30	0.00	1.92	0.98	1.30	0.00	51.93	0.00	0.00	0.00
DELAWARE	2.15	1.60	0.00	1.93	0.00	1.15	0.00	59.18	0.00	0.00	0.00
MARYLAND	2.16	1.60	0.00	1.94	1.04	1.20	0.00	53.26	0.00	0.00	0.00
MICHIGAN	2.12	1.47	0.00	1.70	0.93	1.53	0.00	35.45	18.43	30.84	0.00
WISCONSIN	2.14	1.52	0.00	1.72	0.93	1.27	0.00	45.85	0.00	0.00	0.00
MINNESOTA	2.34	1.38	0.00	1.65	0.85	1.29	0.00	37.79	18.60	30.94	0.00
OHIO	2.16	2.10	0.00	1.75	0.99	0.00	0.00	45.55	0.00	25.40	0.00
INDIANA	2.13	1.64	0.00	1.74	1.09	0.00	0.00	42.12	0.00	0.00	0.00
ILLINOIS	2.16	1.83	0.00	1.77	1.02	0.00	2.91	43.25	0.00	0.00	0.00
IOWA	2.15	1.35	0.00	1.69	0.95	0.00	2.87	37.23	0.00	0.00	0.00
MISSOURI	2.13	2.04	5.41	1.79	1.11	0.00	2.93	34.62	0.00	0.00	0.00
NORTH DAKOTA	2.37	2.08	0.00	1.67	0.75	1.22	0.00	28.09	15.79	31.65	0.00
SOUTH DAKOTA	2.34	1.40	0.00	1.63	0.81	1.27	2.57	27.27	0.00	0.00	0.00
NEBRASKA	2.16	1.44	0.00	1.71	0.90	1.25	2.82	29.40	17.63	23.67	0.00
KANSAS	2.20	1.19	0.00	1.79	1.04	1.28	2.86	40.98	16.65	22.27	0.00
VIRGINIA	2.17	1.80	0.00	1.92	0.92	1.28	2.76	52.77	0.00	0.00	0.00
WEST VIRGINIA	2.18	0.00	0.00	1.84	0.89	1.40	0.00	41.63	0.00	0.00	0.00
NORTH CAROLINA	2.08	1.98	0.00	1.90	1.03	1.18	2.73	40.22	0.00	0.00	0.00
KENTUCKY	2.13	1.83	0.00	1.87	1.31	1.31	2.88	48.15	0.00	0.00	0.00
TENNESSEE	2.15	0.00	0.00	1.89	1.22	0.00	2.86	31.91	0.00	0.00	0.00
SOUTH CAROLINA	2.10	1.70	0.00	1.84	0.96	1.37	2.95	45.08	0.00	0.00	0.00
GEORGIA	2.07	1.72	0.00	1.93	0.94	0.00	2.93	38.81	0.00	0.00	0.00
FLORIDA	0.00	0.00	0.00	1.98	0.00	0.00	0.00	45.38	0.00	0.00	22.67
ALABAMA	2.14	0.00	0.00	1.85	0.93	0.00	2.93	39.46	0.00	0.00	0.00
MISSISSIPPI	2.30	0.00	5.47	2.07	0.00	0.00	3.03	30.17	0.00	0.00	0.00
ARKANSAS	2.16	0.00	5.26	1.85	1.24	0.00	2.85	35.67	0.00	0.00	0.00
LOUISIANA	2.31	0.00	5.08	2.02	0.00	0.00	3.01	32.44	0.00	0.00	19.42
OKLAHOMA	2.25	1.90	0.00	1.99	1.10	1.48	2.98	41.23	0.00	0.00	0.00
TEXAS	2.24	2.00	5.61	1.93	1.17	1.52	3.11	50.36	0.00	30.09	14.54
MONTANA	2.37	0.00	0.00	1.94	0.96	1.43	0.00	46.74	16.03	31.93	0.00
IDAH0	2.23	0.00	0.00	1.82	0.98	1.58	0.00	41.97	17.17	33.89	0.00
UTAHING	2.20	0.00	0.00	1.75	0.97	2.02	0.00	42.18	16.57	28.96	0.00
COLORADO	2.22	1.34	0.00	1.75	1.05	1.71	2.89	42.97	16.89	24.31	0.00
NEW MEXICO	2.26	0.00	0.00	1.90	0.00	1.62	3.15	55.75	0.00	31.43	0.00
ARIZONA	2.59	0.00	0.00	1.91	0.00	1.85	3.28	53.25	0.00	31.43	0.00
UTAH	2.10	0.00	0.00	2.04	1.10	1.56	0.00	44.46	20.92	31.43	0.00
NEVADA	2.08	0.00	0.00	0.00	0.00	1.58	0.00	51.00	0.00	0.00	0.00
WASHINGTON	2.36	0.00	0.00	1.97	0.98	1.41	0.00	50.21	17.51	0.00	0.00
OREGON	2.36	1.44	0.00	1.99	0.95	1.47	0.00	46.76	0.00	33.71	0.00
CALIFORNIA	2.27	0.00	3.98	2.23	1.19	1.75	3.57	54.00	26.37	32.87	0.00
ALASKA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HAWAII	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.76

1/ INCLUDES ALLOWANCE FOR LOANS OUTSTANDING AND PURCHASES BY THE GOVERNMENT VALUED AT AVERAGE LOAN AND PURCHASE RATE. DOES NOT INCLUDE PRICE SUPPORT PAYMENTS.
2/ DOES NOT INCLUDE PAYMENTS UNDER THE SUGAR ACT.

-CONTINUED

STATES: 1986 CURRENT NORMALIZED PRICES FREE OF GOVERNMENT PROGRAMS
FOR PRINCIPAL COMMODITIES-CONTINUED

STATE	COMMODITIES									
	COTTON, LINT	TORACCO	COTTON SEED	SOYBEANS FOR BEANS	PEANUTS HARVESTED FOR BUTS	FLAXSEED	APPLES CONNER CIAL 4/	ORANGES ALL	GRAPE FRUIT ALL 5/	SWEET POTATOES
	UPLAND 3/									
	POUND	POUND	TON	BUSHEL	POUND	BUSHEL	POUND	BOX	BOX	CUT. CUT.
MAINE	0.000	0.000	0.00	0.00	0.000	0.00	0.137	0.00	0.00	3.11 0.00
NEW HAMPSHIRE	0.000	0.000	0.00	0.00	0.000	0.00	0.154	0.00	0.00	0.00 0.00
VERMONT	0.000	0.000	0.00	0.00	0.000	0.00	0.123	0.00	0.00	4.20 0.00
MASSACHUSETTS	0.000	5.416	0.00	0.00	0.000	0.00	0.151	0.00	0.00	4.00 0.00
RHODE ISLAND	0.000	0.000	0.00	0.00	0.000	0.00	0.235	0.00	0.00	3.47 0.00
CONNECTICUT	0.000	4.634	0.00	0.00	0.000	0.00	0.136	0.00	0.00	4.00 0.00
NEW YORK	0.000	0.000	0.00	0.00	0.000	0.00	0.130	0.00	0.00	4.10 0.00
NEW JERSEY	0.000	0.000	0.00	4.23	0.000	0.00	0.118	0.00	0.00	4.43 13.84
PENNSYLVANIA	0.000	2.623	0.00	4.14	0.000	0.00	0.104	0.00	0.00	4.42 0.00
DELAWARE	0.000	0.000	0.00	4.25	0.000	0.00	0.149	0.00	0.00	5.70 0.00
MARYLAND	0.000	0.947	0.00	4.26	0.000	0.00	0.104	0.00	0.00	6.90 4.06
MICHIGAN	0.000	0.000	0.00	4.21	0.000	0.00	0.081	0.00	0.00	3.90 0.00
WISCONSIN	0.000	0.796	0.00	4.11	0.000	0.00	0.162	0.00	0.00	3.14 0.00
MINNESOTA	0.000	0.000	0.00	4.12	0.000	4.42	0.251	0.00	0.00	3.23 0.00
OHIO	0.000	1.230	0.00	4.30	0.000	0.00	0.481	0.00	0.00	4.19 0.00
INDIANA	0.000	1.281	0.00	4.30	0.000	0.00	0.121	0.00	0.00	4.37 0.00
ILLINOIS	0.000	0.000	0.00	4.33	0.000	0.00	0.127	0.00	0.00	3.68 0.00
IOWA	0.000	0.000	0.00	4.17	0.000	0.00	0.209	0.00	0.00	3.60 0.00
MISSOURI	0.508	1.285	52.91	4.23	0.000	0.00	0.136	0.00	0.00	0.00 0.00
NORTH DAKOTA	0.000	0.000	0.00	4.03	0.000	4.48	0.000	0.00	0.00	3.04 0.00
SOUTH DAKOTA	0.000	0.000	0.00	4.09	0.000	3.18	0.000	0.00	0.00	2.58 0.00
NEBRASKA	0.000	0.000	0.00	4.12	0.000	0.00	0.000	0.00	0.00	4.18 0.00
KANSAS	0.000	0.000	0.00	4.19	0.000	0.00	0.114	0.00	0.00	0.00 0.00
VIRGINIA	0.549	1.282	52.18	4.32	0.184	0.00	0.114	0.00	0.00	6.32 5.79
WEST VIRGINIA	0.000	1.232	0.00	0.00	0.000	0.00	0.100	0.00	0.00	0.00 0.00
NORTH CAROLINA	0.525	1.305	52.18	4.29	0.202	0.00	0.045	0.00	0.00	4.34 7.45
KENTUCKY	0.000	1.275	0.00	4.39	0.000	0.00	0.104	0.00	0.00	0.00 0.00
TENNESSEE	0.498	1.270	53.90	4.33	0.000	0.00	0.193	0.00	0.00	6.08 7.10
SOUTH CAROLINA	0.533	1.318	56.19	4.28	0.164	0.00	0.096	0.00	0.00	0.00 7.94
GEORGIA	0.507	1.315	59.10	4.18	0.187	0.00	0.121	0.00	0.00	0.00 7.57
FLORIDA	0.496	1.288	42.77	4.44	0.185	0.00	0.000	6.65	3.36	6.69 0.00
ALABAMA	0.490	0.000	55.62	4.30	0.190	0.00	0.000	0.00	0.00	4.73 4.86
MISSISSIPPI	0.491	0.000	52.01	4.35	0.000	0.00	0.000	0.00	0.00	0.00 6.70
ARKANSAS	0.496	0.000	52.49	4.35	0.000	0.00	0.135	0.00	0.00	0.00 6.82
LOUISIANA	0.489	0.000	51.53	4.27	0.000	0.00	0.000	0.00	0.00	0.33 5.18
OKLAHOMA	0.431	0.000	60.82	4.07	0.201	0.00	0.000	0.00	0.00	0.00 0.00
TEXAS	0.458	0.000	59.05	3.99	0.186	0.00	0.000	7.79	4.04	6.17 7.92
MONTANA	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	6.60 0.00
IDAHO	0.000	0.000	0.00	0.00	0.000	0.00	0.177	0.00	0.00	3.07 0.00
WYOMING	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	3.82 0.00
COLORADO	0.000	0.000	0.00	0.00	0.000	0.00	0.095	0.00	0.00	3.11 0.00
NEW MEXICO	0.533	0.000	59.36	0.00	0.221	0.00	0.248	0.00	0.00	4.21 0.00
ARIZONA	0.510	0.000	62.13	0.00	0.000	0.00	0.000	7.26	3.26	5.94 0.00
UTAH	0.000	0.000	0.00	0.00	0.000	0.00	0.088	0.00	0.00	3.42 0.00
NEVADA	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	3.88 0.00
WASHINGTON	0.000	0.000	0.00	0.00	0.000	0.00	0.084	0.00	0.00	2.98 0.00
OREGON	0.000	0.000	0.00	0.00	0.000	0.00	0.083	0.00	0.00	3.09 0.00
CALIFORNIA	0.565	0.000	70.43	0.00	0.000	0.00	0.169	7.34	4.09	6.65 12.42
ALASKA	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	0.00 0.00
HAWAII	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	0.00 0.00

3/ PRICES BASED ON A 400 POUND NET WEIGHT BALE.

4/ BOTH FRESH AND PROCESSED SALE PRICES (EQUIVALENT PACKINGHOUSE-DOOR RETURNS FOR WASHINGTON AND OREGON, EQUIVALENT FIRST DELIVERY POINT FOR CALIFORNIA AND "AS SOLD" FOR OTHER STATES).

5/ EQUIVALENT PACKINGHOUSE-DOOR RETURNS PER BOX FOR ALL USES.

-CONTINUED

STATES: 1986 CURRENT NORMALIZED PRICES FREE OF GOVERNMENT PROGRAMS
FOR PRINCIPAL COMMODITIES-CONTINUED

STATE	COMMODITIES									
	STEERS AND HEIFERS	CALVES	SHEEP	LANDS	HOGS	MILK 6/ CONNER- CIAL BROILERS:	TURKEYS	EGGS	WOOL	
	CUT.	CUT.	CUT.	CUT.	CUT.	CUT.	POUND	POUND	DOZ	POUND
MAINE	30.09	27.59	32.18	76.73	30.84	11.86	0.244	0.000	0.645	0.616
NEW HAMPSHIRE	30.55	27.79	32.20	77.72	30.84	11.75	0.000	0.701	0.732	0.648
VERMONT	30.09	28.60	31.84	73.64	30.84	11.47	0.000	0.000	0.764	0.612
MASSACHUSETTS	30.33	28.17	32.86	79.45	30.84	11.80	0.000	0.623	0.770	0.598
RHODE ISLAND	30.09	27.56	0.00	0.00	30.84	11.75	0.000	0.000	0.647	0.000
CONNECTICUT	29.86	31.06	34.19	80.87	30.84	11.75	0.000	0.597	0.733	0.525
NEW YORK	31.66	38.52	16.45	52.83	32.37	11.06	0.000	0.324	0.473	0.531
NEW JERSEY	35.02	37.93	26.90	48.17	34.35	11.31	0.000	0.693	0.564	0.486
PENNSYLVANIA	38.84	40.28	30.30	53.83	34.43	11.33	0.269	0.381	0.478	0.518
DELAWARE	38.93	39.47	0.00	0.00	33.63	11.36	0.293	0.376	0.773	0.000
MARYLAND	38.93	39.47	16.80	47.76	33.73	11.36	0.293	0.363	0.550	0.555
MICHIGAN	37.99	33.57	12.99	49.36	32.93	11.00	0.275	0.357	0.395	0.426
WISCONSIN	37.38	36.03	11.01	51.67	32.35	10.68	0.253	0.326	0.400	0.419
MINNESOTA	38.06	34.85	14.41	51.68	33.19	10.45	0.258	0.389	0.395	0.422
OHIO	39.71	33.11	19.53	49.39	33.21	11.03	0.235	0.327	0.400	0.425
INDIANA	40.05	33.33	15.61	44.57	33.09	11.03	0.261	0.418	0.469	0.381
ILLINOIS	41.67	37.53	15.61	47.52	33.09	10.97	0.000	0.312	0.474	0.433
IOWA	42.39	37.25	15.55	50.35	32.93	10.64	0.305	0.314	0.393	0.412
MISSOURI	41.56	36.88	15.71	47.18	33.00	10.78	0.277	0.312	0.393	0.436
NORTH DAKOTA	41.66	38.63	12.98	47.87	30.78	10.80	0.000	0.297	0.411	0.542
SOUTH DAKOTA	42.28	40.25	16.28	50.55	32.71	10.36	0.000	0.387	0.324	0.600
NEBRASKA	42.81	40.44	17.76	50.15	33.07	10.92	0.337	0.290	0.349	0.474
KANSAS	42.87	38.77	16.55	50.27	32.42	11.48	0.000	0.327	0.403	0.501
VIRGINIA	37.08	33.07	13.05	49.17	32.81	11.39	0.267	0.345	0.555	0.554
WEST VIRGINIA	36.16	34.32	12.61	48.18	33.49	11.03	0.292	0.345	0.666	0.559
NORTH CAROLINA	33.87	33.80	19.10	47.23	32.68	12.25	0.254	0.342	0.596	0.512
KENTUCKY	36.37	33.80	12.74	49.86	33.60	10.98	0.255	0.000	0.442	0.429
TENNESSEE	37.10	33.99	17.55	49.38	32.75	11.29	0.265	0.000	0.482	0.526
SOUTH CAROLINA	36.77	34.66	0.00	0.00	31.68	12.86	0.258	0.345	0.461	0.000
GEORGIA	36.41	33.08	0.00	0.00	32.63	11.95	0.254	0.329	0.575	0.000
FLORIDA	40.30	37.15	0.00	0.00	31.03	13.56	0.257	0.000	0.416	0.000
ALABAMA	38.28	34.52	0.00	0.00	32.97	12.20	0.255	0.000	0.599	0.000
MISSISSIPPI	38.00	35.54	0.00	0.00	33.47	11.70	0.279	0.000	0.579	0.000
ARKANSAS	38.46	35.94	0.00	0.00	32.43	11.72	0.276	0.308	0.525	0.000
LOUISIANA	38.24	35.33	20.32	51.65	35.02	11.95	0.268	0.000	0.678	0.449
OKLAHOMA	41.60	36.98	14.44	47.19	33.10	11.39	0.272	0.308	0.574	0.485
TEXAS	42.95	37.85	18.00	50.63	32.08	11.78	0.283	0.339	0.558	0.799
MONTANA	40.96	37.87	12.45	48.06	30.17	11.12	0.000	0.000	0.439	0.672
IDaho	41.09	36.85	14.49	48.81	31.44	10.40	0.000	0.000	0.427	0.627
UTAH	42.24	40.65	14.62	48.99	32.58	10.70	0.000	0.000	0.482	0.700
COLORADO	43.70	40.70	15.40	51.17	33.76	12.08	0.000	0.320	0.528	0.607
NEW MEXICO	39.92	40.19	18.21	48.30	34.31	11.50	0.000	0.000	0.496	0.729
ARIZONA	42.62	37.92	15.55	51.29	34.65	11.45	0.000	0.000	0.437	0.451
UTAH	40.55	37.77	13.64	47.69	31.95	10.45	0.000	0.408	0.404	0.620
NEVADA	37.11	36.83	11.84	43.51	25.84	10.98	0.000	0.000	0.361	0.669
WASHINGTON	42.29	33.49	11.43	47.21	33.77	10.73	0.301	0.000	0.432	0.536
OREGON	38.08	35.56	12.41	47.54	34.08	11.08	0.304	0.327	0.447	0.558
CALIFORNIA	41.23	34.55	16.89	50.93	25.51	10.53	0.297	0.303	0.422	0.635
ALASKA	45.93	40.46	29.97	59.82	45.81	17.49	0.000	0.000	0.926	0.817
HAWAII	34.59	23.58	0.00	0.00	54.83	16.71	0.449	0.000	0.647	0.000

6/ SOLD TO PLANTS AND DEALERS.